GOVERNMENT OF INDIA
HUMAN RESOURCE DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:5650
ANSWERED ON:03.05.2005
LOANS FOR PROVIDING EMPLOYMENT ORIENTED EDUCATION
Shahid Shri Mohammed

Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

(a) whether the Government has Formulated any scheme to grant loans for providing employment oriented education to the Minority communities and weaker sections;

(b) if so, the details thereof; and

(c) the total loan amount disbursed under the scheme during the last three years and thereafter till date state-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (SHRI M.A.A. FATMI):

(a) and (b) The National Minorities Development & Finance Corporation under the Ministry of Social Justice & Empowerment, has been implementing the Educational Loan Scheme for persons belonging to minorities since January, 2004. According to that Ministry, the Educational Loan Scheme of NMDFC was launched during the financial year i.e. 2003-04 with the objective to facilitate job-oriented education amongst the weaker sections of the minorities. The scheme is being implemented through the State Channelising Agencies (SCAs) of NMDFC, nominated by the respective State Governments. The scheme was originally launched with a maximum loan limit of Rs. 75,000.00 (Rs. Seventy five thousands only) for pursuing professional courses of two years. However, in view of the persistent demand from the beneficiaries to increase the loan limit with a provision to cover professional degree courses of more than two years viz. Engineering, Medical etc., the scheme was modified with effect from 1.11.2004. Under the revised scheme, a maximum loan of Rs. 2.50 Lakhs can be availed by a beneficiary for pursing higher studies of duration of up to five years. The funds under the scheme are released to the SCA at an interest rate of 1% p.a. which is further given to the beneficiaries at an interest rate of 3%. The loan is repayable within a period of five years after completion of the course. Following is the eligibility criteria under the scheme:

1. The applicant should belong to any of the notified minority communities i.e. Muslims, Sikhs, Christians, Buddhists or Parsis.

2. The Annual family income should be below double the poverty line i.e. Rs. 40,000 per annum in rural areas and Rs. 55,000 per annum in urban areas.

3. The applicant should be in age group of 16-32 years.

4. Confirmed admission in the intended course is essential.

5. Selection strictly based on merit and preference (be given to women and physically challenged candidates.

(c) According to the Ministry of Social Justice & Empowerment, the following were the achievements under the Educational Loan Scheme during the last two years:

Year	Funds disbursed (Rs.in lakhs)
2003-04	58.90
2004-05	231.00
2005-06	â€”